

325.301 Requirements for firms seeking license to practice in Kentucky -- Exception.

- (1) All firms seeking to obtain a license to practice in this Commonwealth shall meet the following requirements:
 - (a) Licensees shall hold fifty-one percent (51%) or more of the ownership of the firm in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers of the firm;
 - (b) Nonlicensed owners of the firm shall be natural persons actively engaged in the firm's operations and shall satisfy additional requirements as promulgated by the board in administrative regulations;
 - (c) The name of the firm shall comply with the requirements of KRS 325.380;
 - (d) All certified public accountants who are partners, shareholders, members, officers, directors, or employees of the firm, who regularly practice in this Commonwealth, shall maintain current licenses to practice issued by the board;
 - (e) Any individual licensee who is responsible for supervising attest services and signs or authorizes someone to sign the report on the financial statements on behalf of the firm shall meet the competency requirements as promulgated by the board in administrative regulation; and
 - (f) The firm shall comply with the provisions of this chapter, the administrative regulations promulgated by the board, and all other laws of this Commonwealth applicable to the firm's particular form of business organization.
- (2) Before a firm may practice in this Commonwealth, it shall:
 - (a) Submit an initial application to the board for a firm license to practice in this Commonwealth. This application shall be made upon forms approved by the board and signed by the firm manager, who shall also be the certified public accountant in charge of the administrative matters of the firm. The application for a firm license to practice shall include the name of the firm manager, the name of each certified public accountant and nonlicensee with an ownership interest in the firm, the name of each certified public accountant employee of the firm, the location of each office, and any other information as the board, by duly promulgated administrative regulation, may require; and
 - (b) With the exception of a sole proprietorship, pay a fee not to exceed two hundred dollars (\$200) set by an administrative regulation promulgated by the board.
- (3) The firm license to practice shall be renewed every two (2) years by the firm. The application for renewal shall be submitted by the manager of the firm on forms established in administrative regulations promulgated by the board. The renewal fee, not to exceed two hundred dollars (\$200), shall be established by administrative regulation promulgated by the board.
- (4) The firm license to practice shall be effective for a two (2) year period following the date of its issuance and shall expire on the first day of July in the year of expiration.

- (5) The manager of the firm shall notify the board, on a form established in administrative regulations promulgated by the board, of any change in its licensing information within thirty (30) days. Any change in the name of a firm shall require the filing of an initial application.
- (6) All firms that perform audits, reviews, or compilations shall complete an approved peer review program with standards that are equivalent to or better than the peer review program administered by the American Institute of Certified Public Accountants as determined by administrative regulations promulgated by the board.
- (7) Nothing contained in this chapter shall require a certified public accountant or firm of certified public accountants licensed by another state or foreign country to obtain a license to practice in this Commonwealth if the certified public accountant or firm of certified public accountants enter this Commonwealth solely to:
 - (a) Conduct a peer review of a firm; or
 - (b) Perform attestation work, incidental to an engagement which was initiated with a client located outside of the Commonwealth and has extended into the Commonwealth due to common ownership or existence of a subsidiary, assets, or other operations located within the Commonwealth.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 99, sec. 7, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 24, sec. 2, effective July 15, 1996. -- Created 1994 Ky. Acts ch. 248, sec. 1, effective July 15, 1994.